
By: **Delegate Bohanan**

Introduced and read first time: February 7, 2003

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Hazardous Liquid Pipelines - Operations and Reporting**

3 FOR the purpose of requiring the Public Service Commission to include an engineer
4 with certain qualifications on its staff; requiring the Commission to establish
5 and adopt by regulation methods and best practices for hazardous liquid
6 pipeline facilities; requiring hazardous liquid pipeline operators to report
7 certain information to the Commission and the National Response Center;
8 requiring the Commission to report certain information to the National
9 Response Center; requiring each hazardous liquid pipeline operator to submit
10 an annual report with certain contents to the Commission; requiring the
11 Commission to make the report available in a certain manner; requiring each
12 hazardous liquid pipeline operator to identify and notify certain property owners
13 and provide certain information to the Commission every 5 years; requiring the
14 Commission to obtain certain training for certain members of its staff; and
15 generally relating to hazardous liquid pipeline safety.

16 BY renumbering
17 Article - Public Utility Companies
18 Section 11-204 through 11-206, respectively
19 to be Section 11-206 through 11-208, respectively
20 Annotated Code of Maryland
21 (1998 Volume and 2002 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Public Utility Companies
24 Section 2-108(d) and 11-203
25 Annotated Code of Maryland
26 (1998 Volume and 2002 Supplement)

27 BY repealing and reenacting, without amendments,
28 Article - Public Utility Companies
29 Section 11-201
30 Annotated Code of Maryland

1 (1998 Volume and 2002 Supplement)

2 BY adding to

3 Article - Public Utility Companies

4 Section 11-204 and 11-205

5 Annotated Code of Maryland

6 (1998 Volume and 2002 Supplement)

7 BY repealing and reenacting, without amendments,

8 Article - Public Utility Companies

9 Section 11-208

10 Annotated Code of Maryland

11 (1998 Volume and 2002 Supplement)

12 (As enacted by Section 1 of this Act)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That Section(s) 11-204 through 11-206, respectively, of Article - Public
15 Utility Companies of the Annotated Code of Maryland be renumbered to be Section(s)
16 11-206 through 11-208, respectively.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
18 read as follows:

19 **Article - Public Utility Companies**

20 2-108.

21 (d) (1) The State budget shall provide sufficient money for the Commission
22 to hire, develop, and organize a staff to perform the functions of the Commission,
23 including analyzing data submitted to the Commission and participating in
24 proceedings as provided in § 3-104 of this article.

25 (2) (I) As the Commission considers necessary, the Commission shall
26 hire experts including economists, cost of capital experts, rate design experts,
27 accountants, engineers, transportation specialists, and lawyers.

28 (II) TO ASSIST IN THE REGULATION OF HAZARDOUS LIQUID
29 PIPELINES UNDER TITLE 11, SUBTITLE 2 OF THIS ARTICLE, THE COMMISSION SHALL
30 INCLUDE ON ITS STAFF AT LEAST ONE ENGINEER WHO SPECIALIZES IN THE
31 STORAGE OF AND THE TRANSPORTATION OF HAZARDOUS LIQUID MATERIALS BY
32 PIPELINE.

33 (3) The Commission may retain on a case by case basis additional
34 experts as required for a particular matter.

35 (4) The lawyers who represent the Commission staff in proceedings
36 before the Commission shall be appointed by the Commission and shall be organized
37 and operate independently of the office of General Counsel.

1 (5) (i) As required, the Commission shall hire hearing examiners.

2 (ii) Hearing examiners are a separate organizational unit and shall
3 report directly to the Commission.

4 (6) The Commission shall hire personal staff members for each
5 commissioner as required to provide advice, draft proposed orders and rulings, and
6 perform other personal staff functions.

7 (7) Subject to § 3-104 of this article, the Commission may delegate to a
8 commissioner or personnel the authority to perform an administrative function
9 necessary to carry out a duty of the Commission.

10 (8) (i) Except as provided in paragraph (ii) of this item or otherwise by
11 law, all personnel of the Commission are subject to the provisions of the State
12 Personnel and Pensions Article.

13 (ii) The following are in the executive service, management service,
14 or are special appointments in the State Personnel Management System:

- 15 1. each commissioner of the Commission;
- 16 2. the Executive Director;
- 17 3. the General Counsel and each assistant general counsel;
- 18 4. the Executive Secretary;
- 19 5. the commissioners' personal staff members;
- 20 6. the chief hearing examiner; and
- 21 7. each license hearing officer.

22 11-201.

23 (a) In this subtitle the following words have the meanings indicated.

24 (b) "Interstate pipeline" means a pipeline, or part of a pipeline, regulated
25 under 49 U.S.C. Chapter 601 that is used in the transportation of hazardous liquids
26 or carbon dioxide in interstate or foreign commerce.

27 (c) "Intrastate pipeline" means a pipeline, or part of a pipeline, regulated
28 under 49 U.S.C. Chapter 601 that:

29 (1) is used in the transportation of hazardous liquids or carbon dioxide;

30 and

31 (2) is not an interstate pipeline.

32 (d) (1) "Hazardous liquid" means any:

- 1 (i) petroleum or petroleum product;
- 2 (ii) anhydrous ammonia;
- 3 (iii) carbon dioxide; and
- 4 (iv) any substance or material that:
- 5 1. is in a liquid state when transported by a pipeline facility;
- 6 and
- 7 2. may pose an unreasonable risk to life or property when
- 8 transported by a pipeline facility, as determined by the United States Secretary of
- 9 Transportation.

10 (2) "Hazardous liquid" does not include liquefied natural gas.

11 (e) "Pipeline facility" means new and existing pipe, rights-of-way, and any

12 equipment, facility, or building used in the transportation of hazardous liquids or

13 carbon dioxide.

14 (f) "Pipeline operator" means a person who owns or operates a pipeline

15 facility.

16 11-203.

17 (a) (1) The Commission may adopt regulations that establish safety

18 standards and practices applicable to the design, construction, operation, and

19 maintenance of intrastate pipeline facilities.

20 (2) For any intrastate pipeline regulatory program that the Commission

21 establishes under this subtitle, the Commission shall adopt as minimum standards

22 the federal safety standards in Title 49, C.F.R. Parts 195 and 199, as periodically

23 amended.

24 (3) (I) IN COLLABORATION WITH THE AMERICAN SOCIETY OF

25 MECHANICAL ENGINEERS, THE COMMISSION SHALL:

26 1. ESTABLISH AND ADOPT BY REGULATION METHODS AND

27 BEST PRACTICES FOR INTRASTATE PIPELINE FACILITIES; AND

28 2. REQUIRE INTRODUCTION OF THESE METHODS AND BEST

29 PRACTICES AS SOON AS MAY BE PRACTICABLE.

30 (II) THE METHODS SHALL INCLUDE QUANTITATIVE CRITERIA,

31 BASED ON ENGINEERING EVALUATIONS, TO DETERMINE WHETHER A WRINKLE OR

32 OTHER DEFORMITY MAY REMAIN IN A PIPELINE OR SHOULD BE REMEDIED.

33 (b) (1) The Commission may enter, inspect, and examine, at reasonable

34 times and in a reasonable manner, the records and property of an intrastate pipeline

1 operator to determine whether the pipeline operator is acting in compliance with this
2 subtitle and regulations adopted by the Commission under this subtitle.

3 (2) The Commission shall inspect each intrastate pipeline at least once
4 each year.

5 (c) The Commission shall require an intrastate pipeline operator to prepare,
6 maintain, and carry out a written plan for the operation and maintenance of each
7 pipeline facility owned or operated by the intrastate pipeline operator.

8 11-204.

9 (A) A PIPELINE OPERATOR SHALL IMMEDIATELY NOTIFY THE COMMISSION
10 AND THE NATIONAL RESPONSE CENTER OF ANY SIGNIFICANT:

11 (1) ERROR IN INFORMATION THAT THE PIPELINE OPERATOR HAS
12 PREVIOUSLY SUBMITTED TO EITHER UNIT; OR

13 (2) NEW INFORMATION THAT RELATES TO REPORTING CRITERIA OR
14 OTHER INFORMATION THAT THE PIPELINE OPERATOR IS REQUIRED TO SUBMIT
15 UNDER THIS SUBTITLE.

16 (B) THE COMMISSION SHALL NOTIFY THE NATIONAL RESPONSE CENTER OF
17 ANY ERROR OR NEW INFORMATION THAT THE COMMISSION OR AN AGENT OF THE
18 COMMISSION DISCOVERS WHILE:

19 (1) PROVIDING TRAINING FOR PIPELINE FACILITIES;

20 (2) DEVELOPING METHODS AND BEST PRACTICES UNDER § 11-203(A)(3)
21 OF THIS SUBTITLE; OR

22 (3) INSPECTING A PIPELINE.

23 11-205.

24 (A) EACH YEAR A PIPELINE OPERATOR SHALL SUBMIT AN ANNUAL REPORT
25 ON THE STATE OF ITS PIPELINE FACILITY TO THE COMMISSION AND TO EACH
26 OWNER OF REAL PROPERTY:

27 (1) ON WHICH THE PIPELINE FACILITY IS LOCATED; OR

28 (2) ADJACENT TO OR CONTIGUOUS TO REAL PROPERTY ON WHICH THE
29 PIPELINE FACILITY IS LOCATED.

30 (B) THE ANNUAL REPORT SHALL INCLUDE:

31 (1) A SUMMARY DESCRIPTION OF THE SYSTEM THAT INCLUDES THE
32 PIPELINE FACILITY;

33 (2) A MAP OF THE PIPELINE FACILITY AND SYSTEM;

1 (3) A DESCRIPTION OF THE PRODUCT TRANSPORTED IN THE PIPELINE
2 FACILITY AND SYSTEM;

3 (4) STATE AND LOCAL EMERGENCY RESPONSE LIAISON INFORMATION;

4 (5) A DESCRIPTION OF THE LEAK DETECTION SYSTEM IN USE FOR THE
5 PIPELINE FACILITY;

6 (6) A DESCRIPTION OF PERIODIC TESTING METHODS USED ON THE
7 PIPELINE FACILITY AND A SUMMARY OF RESULTS OF THE TESTING; AND

8 (7) ANY OTHER INFORMATION THAT THE COMMISSION REQUIRES.

9 (C) THE COMMISSION SHALL MAKE ANNUAL REPORTS AVAILABLE TO THE
10 PUBLIC, INCLUDING PUBLICATION USING THE INTERNET.

11 (D) AT LEAST ONCE EVERY 5 YEARS, A PIPELINE OPERATOR SHALL:

12 (1) IDENTIFY EACH OWNER OF REAL PROPERTY ON WHICH THE
13 PIPELINE FACILITY IS LOCATED;

14 (2) NOTIFY EACH PROPERTY OWNER OF THE PRESENCE OF THE
15 PIPELINE FACILITY ON THE OWNER'S PROPERTY;

16 (3) VERIFY THAT EACH PROPERTY OWNER HAS RECEIVED THE NOTICE;
17 AND

18 (4) PROVIDE TO THE COMMISSION A CURRENT LIST OF ALL PROPERTY
19 OWNERS.

20 11-208.

21 (a) The Commission may impose on a person who violates this subtitle or a
22 regulation adopted in accordance with this subtitle a civil penalty that does not
23 exceed the maximum penalties provided in 49 U.S.C. Chapter 601 (Hazardous Liquid
24 Pipeline Safety Act).

25 (b) Each day a violation continues is a separate violation under this section.

26 (c) To determine the amount of a penalty imposed under this section, the
27 Commission shall consider:

28 (1) the nature, circumstances, and gravity of the violation;

29 (2) with respect to the violator:

30 (i) the degree of culpability;

31 (ii) any history of prior violations;

32 (iii) the ability to pay;

- 1 (iv) any effect on the ability to continue doing business; and
2 (v) good faith in attempting to comply; and
3 (3) other matters that justice requires.

4 SECTION 3. AND BE IT FURTHER ENACTED, That the Public Service
5 Commission shall obtain current training for its staff members who deal with
6 hazardous liquid pipelines under Title 11, Subtitle 2 of the Public Utility Companies
7 Article on the subjects of fuel oil pipelines and large-capacity storage tanks, including
8 training on American Petroleum Institute Standard 653, "Tank Inspection, Repair,
9 Alteration, and Reconstruction".

10 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2003.